(b) the basis of merging of banks;

(c) by when the process of merging will be completed; and

(d) the reasons for the delay?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Reserve Bank of India has issued guidelines on merger/amalgamation of private sector banks on 11th May, 2005 which are available on the RBI website www.rbi.org.in. Amalgamations are normally decided by RBI on business considerations such as the need for increasing the market shares, synergies in the operations of businesses, acquisition of a business unit or segment, sound rationale for the amalgamation, the systemic benefits and the advantage accruing to the residual entity, etc.

(c) The guidelines provided for voluntary amalgamation of two banking companies under the provision of Section 44A of the Bankign Regulation Act, 1949.

(d) Does not arise.

Fiscal Deficit

2862. SHRI B.J. PANDA:
SHRI RAVI SHANKAR PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have been able to rein in the fiscal deficit;

(b) if so, the details thereof; and

(c) what is the action plan of Government to control expenditure and recover tax arrears to further control the deficit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Budget for 2004-05 had estimated the fiscal deficit to be Rs. 1,37,407 crore, equivalent of 4.5 per cent of GDP. The provisional Union Government Accounts for 2004-05 released by Comptroller General of Accounts places the fiscal deficit at Rs. 1,27,975 crore, equivalent of 4.1 per cent of GDP.

(c) Initiatives taken and proposed for expenditure control, *inter alia,* include fixing quarterly ceilings and targets for expenditure as a part of move towards better expenditure control and cash management, reviewing Plan schemes for effecting convergence of schemes with similar objectives, evolving a policy framework rationalising and targeting subsidies to the truly poor, reviewing user charges and evolving an outcome budget to help translate budget outlays into better outcomes. Two Task Forces to develop and implement a multi-pronged strategy for effecting substanital recovery from arrears of direct and indirect taxes were constituted. Special units have been created to monitor, recover and dispose of outstanding cases. Time limits and other instructions have been prescribed for speedy settlement of issues at the Departmental appellate stages. Special efforts have been made to speed up the disputed cases in the tribunals, high courts and Supreme Court.

Advisory Council for exemption to exporters

†2863. SHRI AJAY MAROO: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the facilities which are to be provided to the exporters under section 80 HHC of Income Tax Act are not being provided to them;

(b) whether any Advisory Council has been set up by the Prime Minister's office to consider on this issue and the related matters; and

(c) if so, what is Government's view in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) From a number of representations received from exporters it appears that they are concerned about re-computation of the export incentives availed of by them under the Income-tax Act.

The matter was referred to the Prime Minister's Economic Advisory Council which has recently submitted its report. Action has been initiated for implementation of the recommendations of the Council.

†Original notice of the question was received in Hindi.